ARC 3159C

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed Emergency

Pursuant to the authority of Iowa Code section 249A.4 and 2017 Iowa Acts, House File 653, section 12(15)(a)(2), the Department of Human Services amends Chapter 79, "Other Policies Relating to Providers of Medical and Remedial Care," and Chapter 80, "Procedure and Method of Payment," Iowa Administrative Code.

These amendments implement the cost-containment strategy to ensure that total reimbursement for Medicare Part A and Part B crossover claims is limited to the Medicaid reimbursement rate.

The Council on Human Services adopted these amendments on June 14, 2017.

Pursuant to Iowa Code section 17A.4(3), the Department finds that notice and public participation are unnecessary because emergency rule making is authorized by 2017 Iowa Acts, House File 653, section 12(15)(c).

Pursuant to Iowa Code section 17A.5(2)"b"(1)(a), the Department also finds that the normal effective date of these amendments, 35 days after publication, should be waived and the amendments made effective July 1, 2017, because 2017 Iowa Acts, House File 653, section 12(15)(c), authorizes the Department to adopt emergency rules to implement this cost-containment strategy.

These amendments are also published herein under Notice of Intended Action as **ARC 3163C** to allow for public comment.

These amendments do not provide for waivers in specified situations because requests for the waiver of any rule may be requested under the Department's general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 249A.4 and 2017 Iowa Acts, House File 653, section 12(15)(a)(2).

The Administrative Rules Review Committee reviewed these amendments on June 13, 2017.

These amendments became effective July 1, 2017.

The following amendments are adopted.

ITEM 1. Amend subrule 79.1(22) as follows:

79.1(22) *Medicare crossover claims ~~for inpatient and outpatient hospital services~~.* Subject to approval of a state plan amendment by the federal Centers for Medicare and Medicaid Services, payment for Medicare crossover claims shall be made as follows.

a. Definitions. For purposes of this subrule:

"~~Crossover~~ Medicare crossover claim" means a claim for Medicaid payment for ~~Medicare-covered inpatient or outpatient hospital~~ services covered by Medicare Part A or Part B rendered to a Medicare beneficiary who is also eligible for Medicaid. ~~Crossover~~ Medicare crossover claims include claims for services rendered to beneficiaries who are eligible for Medicaid in any category, including, but not limited to, qualified Medicare beneficiaries and beneficiaries who are eligible for full Medicaid coverage.

"Medicaid-allowed amount" means the Medicaid ~~prospective~~ reimbursement for the ~~services~~ service(s) rendered (including any portion to be paid by the Medicaid beneficiary as copayment or spenddown), as determined under state and federal law and policies.

~~*"Medicaid reimbursement"* means any amount to be paid by the Medicaid beneficiary as a Medicaid copayment or spenddown and any amount to be paid by the department after application of any applicable Medicaid copayment or spenddown.~~

"Medicare-allowed amount" means the total reimbursement allowed by Medicare for the service(s) rendered, for a participating Medicare provider who has accepted Medicare assignment of claims for services rendered, including any portion to be paid by the Medicare beneficiary as a deductible or coinsurance.

"Medicare deductible and coinsurance amounts" means the portion of the Medicare-allowed amount to be paid by the Medicare beneficiary as a deductible or coinsurance.

~~*"Medicare payment amount"* means the Medicare reimbursement rate for the services rendered in a crossover claim, excluding any Medicare coinsurance or deductible amounts to be paid by the Medicare beneficiary.~~

"Medicare provider reimbursement" means the Medicare-allowed amount less any portion thereof to be paid by the Medicare beneficiary as a deductible or coinsurance.

"Third-party payment" means payment from any source other than Medicaid, Medicare, or the Medicaid and Medicare beneficiary.

b. Reimbursement of Medicare crossover claims. ~~Crossover claims for inpatient or outpatient hospital services covered under Medicare and Medicaid shall be reimbursed as follows.~~ Covered Medicare crossover claims shall be paid by Medicaid at the lesser of:

~~(1) If the Medicare payment amount for a crossover claim exceeds or equals the Medicaid-allowed amount for that claim, Medicaid reimbursement for the crossover claim shall be zero.~~

~~(2) If the Medicaid-allowed amount for a crossover claim exceeds the Medicare payment amount for that claim, Medicaid reimbursement for the crossover claim shall be the lesser of:~~

~~1. The Medicaid-allowed amount minus the Medicare payment amount; or~~

~~2. The Medicare coinsurance and deductible amounts applicable to the claim.~~

(1) Applicable Medicare deductible and coinsurance amounts, less any third-party payment available to the provider for the Medicare deductible and coinsurance amounts and any Medicaid copayment or spenddown; or

(2) Either:

1. For Medicaid-covered services: the Medicaid-allowed amount less the Medicare provider reimbursement, any third-party payment available to the provider in addition to the Medicare provider reimbursement, and any Medicaid copayment or spenddown; or

2. For non-Medicaid-covered services: 50 percent of the Medicare-allowed amount less the Medicare provider reimbursement, any third-party payment available to the provider in addition to the Medicare provider reimbursement, and any Medicaid copayment or spenddown.

ITEM 2. Amend paragraph **80.2(2)"h"** as follows:

h. Providers billing claims for Medicare beneficiaries that do not cross over electronically to the Iowa Medicaid enterprise ~~shall~~ must submit the following electronically:

(1) Form ~~470-4707~~ UB-04~~, Medicare Crossover Invoice (Institutional),~~ along with the Explanation of Medicare Benefits (EOMB) ~~for institutional services.~~; and

(2) Form ~~470-4708~~ CMS-1500~~, Medicare Crossover Invoice (Professional),~~ along with the Explanation of Medicare Benefits (EOMB) ~~for professional services~~.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 7/5/17.